

Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
(916) 210-6400

WEBSITE ADDRESS:

**INITIAL
REGISTRATION FORM
STATE OF CALIFORNIA
OFFICE OF THE ATTORNEY GENERAL
REGISTRY OF CHARITABLE TRUSTS**
(Government Code Sections 12580-12599.7)



NOTE: A \$25 REGISTRATION FEE MUST ACCOMPANY THIS REGISTRATION FORM. MAKE CHECK PAYABLE TO DEPARTMENT OF JUSTICE.

Pursuant to Section 12585, registration is required of every trustee subject to the Supervision of Trustees and Fundraisers for Charitable Purposes Act within thirty days after receipt of assets (cash or other forms of property) for the charitable purposes for which organized.

Every charitable (public benefit) corporation, association and trustee holding assets for charitable purposes or doing business in the State of California must register with the Attorney General, except those exempted by California Government Code section 12583. Corporations that are organized primarily as a hospital, a school, or a religious organization are exempted by Section 12583.

Name of Organization: Repairing The Breach Neighborhood Project

The name of the organization should be the legal name as stated in the organization's organizing instrument (i.e., articles of incorporation, articles of association, or trust instrument).

Official Mailing Address for Organization:

Address: 2130 4th St.

City: Sacramento

State: CA

Zip Code: 95818

Organization's telephone number: 916-498-9089

Organization's e-mail address: MAEREADER@AOL.COM

Organization's fax number: 916-446-6337

Organization's website: N/A

All organizations must apply for a Federal Employer Identification Number from the Internal Revenue Service, including organizations that have a group exemption or file group returns.

Federal Employer Identification Number (FEIN):

26-2082119

Group Exemption FEIN (if applicable):

N/A

All California corporations and foreign corporations that have qualified to do business in California will have a corporate number. Unincorporated organizations are assigned an organization number by the Franchise Tax Board upon application for California tax exemption.

Corporate or Organization Number: C3153441

Names and addresses of ALL trustees or directors and officers (attach a list if necessary):			
Name <u>Darryl B. Heath</u>		Position <u>Executive Director/CEO</u>	
Address <u>2130 4th St</u>			
City <u>Sacramento</u>	State <u>CA</u>	Zip Code <u>95818</u>	
Name <u>Maë McNeil</u>		Position <u>CEO</u>	
Address <u>2130 4th St</u>			
City <u>Sacramento</u>	State <u>Ca.</u>	Zip Code <u>95818</u>	
Name <u>Garvin Arnett</u>		Position <u>Treasurer</u>	
Address <u>2130 4th St</u>			
City <u>Sacramento</u>	State <u>ca</u>	Zip Code <u>95818</u>	
Name <u>Renee Smith</u>		Position <u>Secretary</u>	
Address <u>2130 4th St</u>			
City <u>Sacramento</u>	State <u>CA</u>	Zip Code <u>95818</u>	
Name <u>MILTON French</u>		Position <u>Board member</u>	
Address <u>2130 4th St.</u>			
City <u>Sacramento</u>	State <u>CA</u>	Zip Code <u>95818</u>	
<p>Describe the primary activity of the organization. (A copy of the material submitted with the application for federal or state tax exemption will normally provide this information.) If the organization is based outside California, comment fully on the extent of activities in California and how the California activities relate to total activities. In addition, list all funds, property, and other assets held or expected to be held in California. Indicate whether you are monitored in your home state, and if so, by whom. Attach additional sheets if necessary.</p>			
<p><u>Narrative attached to Form 1023-Attachment, Page 1</u> <u>PART IV-Narative Description.</u></p>			
<p>The organization will be required to file financial reports annually. All organizations must file the Annual Registration/Renewal Fee Report (RRF-1) within four months and fifteen days after the end of the organization's accounting period. Organizations with \$25,000 or more in either gross receipts or total assets are also required to file either the IRS Form 990, 990-EZ, or 990-PF. Forms can be found on the Charitable Trusts' website at .</p>			
<p>If assets (funds, property, etc.) have been received, enter the date first received:</p> <p>Date assets first received: <u>12/2008</u></p>		<p>Registration with the Attorney General is required within <u>thirty</u> days of receipt of assets.</p>	
<p>What annual accounting period has the organization adopted?</p> <p><input type="checkbox"/> Fiscal Year Ending _____ <input checked="" type="checkbox"/> Calendar Year</p>			

Attach your founding documents as follows:

- A) **Corporations** - Furnish a copy of the articles of incorporation and all amendments and current bylaws. If incorporated outside California, enter the date the corporation qualified through the California Secretary of State's Office to conduct activities in California.
- B) **Associations** - Furnish a copy of the instrument creating the organization (bylaws, constitution, and/or articles of association).
- C) **Trusts** - Furnish a copy of the trust instrument or will and decree of final distribution.
- D) **Trustees for charitable purposes** - Furnish a statement describing your operations and charitable purpose.

Has the organization applied for or been granted IRS tax-exempt status ☒ Yes ☐ No

Date of application for Federal tax exemption: 7/13/2008

Date of exemption letter: 11/7/2008 Exempt under Internal Revenue Code section 501(c) yes

If known, are contributions to the organization tax-deductible? ☒ Yes ☐ No

Attach a copy of the Application for Recognition of Exemption (IRS Form 1023) and the determination letter issued by the IRS.

Does your organization contract with or otherwise engage the services of any commercial fundraiser for charitable purposes, fundraising counsel, or commercial coventurer? If yes, provide the name(s), address(es), and telephone number(s) of the provider(s):

NO

Commercial Fundraiser ☐ Fundraising Counsel ☐ Commercial Coventurer ☐

Name N/A

Address

City State Zip Code

Telephone Number

Commercial Fundraiser ☐ Fundraising Counsel ☐ Commercial Coventurer ☐

Name N/A

Address

City State Zip Code

Telephone Number

Commercial Fundraiser ☐ Fundraising Counsel ☐ Commercial Coventurer ☐

Name N/A

Address

City State Zip Code

Telephone Number

I declare under penalty of perjury that I have examined this registration form, including accompanying documents, and to the best of my knowledge and belief, the form and each document are true, correct, and complete.

Signature Mae McNeal Title CFO Date 10/6/18

If additional information is required, please refer to the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Government Code sections 12580-12599.7), the Administrative Rules and Regulations pursuant to the Act (California Code of Regulations, Title 11, Sections 300-312.1).

If you have questions regarding registration, or need assistance, information is available on our website at www.cts.ca.gov or you can reach us by telephone at (916) 210-6400 or fax at (916) 444-3651.

Reset Form

Print Form

JUL 14 2008

**ARTICLES OF INCORPORATION
OF
Repairing The Breach Neighborhood Project, Inc.**

I.

The name of this corporation is Repairing The Breach Neighborhood Project, Inc.

II.

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purpose of this corporation is to provide charitable and/or educational assistance in the state of California, including but not limited to youth and adult support service programs.

III.

The name and address in the State of California of this corporation's initial agent for service of process is:

Darryl B. Heath
2130 4th Street
Sacramento, CA 95818

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Attorney General's Office

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IV.

Registry of Charitable Trusts

This corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of a candidate for public office.

V.

The property of this corporation is irrevocably dedicated to charitable and/ or education purposes meeting and requirements of Section 214 of the California Revenue and Taxation Code and no part of the net income or assets of this corporation shall ever insure to the benefit or any director, officer or member thereof or the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a non profit fund, foundation, or corporation which is organized and operated exclusively for charitable and/or educational purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

Date: July 11, 2008.


Darryl B. Heath, Incorporator

BYLAWS
of the
REPAIRING THE BREACH NEIGHBORHOOD PROJECT

ARTICLE I
NAME AND PURPOSES

SECTION 1.01. NAME. The name of the organization is *REPAIRING THE BREACH NEIGHBORHOOD PROJECT*.

SECTION 1.02. PURPOSE. The Non Profit Corporation is organized for the charitable and educational purposes to create a positive effect within the community and its businesses, by providing services that are beneficial in meeting the needs of a growing neighborhood. Services consisting of, but not limited to financial counseling, assisting first time home buyers, after school tutoring, adult education and GED assistance, health and welfare services and counseling.

ARTICLE II
OFFICES

SECTION 2.01. PRINCIPLE OFFICE. The principal office for the transaction of the Corporation's business ("principle executive office") is located in Sacramento County, California at 2130 4th Street.

ARTICLE III
MEMBERS

This Corporation shall have no members

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ARTICLE IV
AUTHORITY AND DUTIES OF DIRECTORS

Registry of Charitable Trusts

SECTION 4.01. GENERAL CORPORATE POWERS. Subject to the provisions of the California General Corporation Law and any limitations in the articles of incorporation and these Bylaws, the business and affairs of the Corporation shall be managed and all Corporate powers shall be exercised by or under the direction of the Board.

SECTION 4.02. SPECIFIC POWERS. Without prejudice to these general powers and subject to the same limitations, the Directors shall have the power to:

- (1) Select and remove all officers, agents and employees of the Corporation; prescribe any powers and duties for them that are consistent with the law, the articles of incorporation and these Bylaws; and fix their compensation.
- (2) Preside over at least on ad hoc subcommittee as designated by the majority of Directors
- (3) Change the principal executive office from one location to another; cause the Corporation to be qualified to do and conduct business within and without the State of California; and designate any place within and without the State of California for the holding of Directors' meetings, including annual meetings.
- (4) Adopt, make, use and alter a corporate seal as needed and approved by majority vote.

- (5) Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, grants, hypothecations, and other evidences of debt and securities.

SECTION 4.02. AUTHORITY OF DIRECTORS. The Board of Directors is the policy-making body and may exercise all the powers and authority granted to the Corporation by law.

SECTION 4.03. NUMBER, SELECTION, AND TENURE. The Board shall consist of eleven (11) and not less than nine (9) directors. The initial Board of Directors shall be selected by Darryl B. Heath. Thereafter, Directors shall be nominated and selected annually at the November meeting of the Board by the Board. Each director shall hold office for a term of three (3) years. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of his/her term shall be filled by a majority vote of the remaining directors. In the event of a tie vote, the President shall choose the succeeding director. Directors will elect their successors. A director elected to fill a vacancy shall be elected for the unexpired term of that director's predecessor in office.

SECTION 4.03. RESIGNATION. Resignations are effective upon receipt by the Secretary of the Corporation of written notification.

SECTION 4.04. REGULAR/ANNUAL MEETINGS. The Board of Directors shall meet every second (2nd) Tuesday of each month starting in the month of February and until December of each calendar year. The Annual Planning and Executive Meeting shall be held every second (2nd) Tuesday of every January.

SECTION 4.05. SPECIAL MEETINGS. Meetings shall be at such dates, times and places as the Board shall determine.

SECTION 4.06. NOTICE. Meetings may be called by the Chairperson or at the request of any two (2) directors by notice emailed, mailed, telephoned, or telegraphed to each member of the Board not less than forty-eight (48) hours before such meeting.

SECTION 4.07. QUORUM. A quorum shall consist of a majority of the Board attending in person or through teleconferencing. All decisions will be by majority vote of those present at a meeting at which a quorum is present. If less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting on occasion without further notice.

SECTION 4.08. ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of the Board of Directors (including amendment of these Bylaws) or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

SECTION 4.09. PARTICIPATION IN MEETING BY CONFERENCE TELEPHONE. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as members participating in such meeting can hear one another.

SECTION 4.10. EXECUTIVE COMMITTEE. The Board may appoint an executive committee, with the authority in the Board to delegate to such committee any of the powers and authority of the Board, except those matters prohibited by the California General Corporation Law.

Such committee shall consist of three (3) or more persons who are members of the Board, and shall act only in the intervals between meetings of the Board, and be subject at all times to the control of the Board.

SECTION 4.10. COMMITTEES. The Board of Directors may, by resolution adopted by a majority of the Directors in office, establish committees of the Board composed of at least two (2) persons which, except for an Executive Committee, may include non-Board members. The Board may make such provisions for appointment of the chair of such committees, establish such procedures to govern their activities, and delegate thereto such authority as may be necessary or desirable for the efficient management of the property, affairs, business, activities of the Corporation.

SECTION 4.11. NOMINATING COMMITTEE. There shall be a Nominating Committee, composed of the President and at least two (2) other members of the Board of Directors. Each member of the committee shall have one (1) vote and decision shall be made by the majority.

SECTION 4.12. REIMBURSEMENT. Directors shall serve without compensation with the exception that expenses incurred in the furtherance of the Corporation's business are allowed to be reimbursed with documentation and prior approval. In addition, Directors serving the organization in any other capacity, such as staff, are allowed to receive compensation therefore.

ARTICLE V AUTHORITY AND DUTIES OF OFFICERS

SECTION 5.01. OFFICERS. The officers of the Corporation shall be a Chairperson, President, a Vice-President, a Secretary/Treasurer, and such other officers as the Board of Directors may designate. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary/Treasurer.

SECTION 5.02. APPOINTMENT OF OFFICERS; TERMS OF OFFICE. The officers of the Corporation shall be elected by the Board of Directors at regular meetings of the Board, or, in the case of vacancies, as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Terms of office may be established by the Board of Directors, but shall not exceed three (3) years. Officers shall hold office until a successor is duly elected and qualified. Officers shall be eligible for reappointment.

SECTION 5.03. RESIGNATION. Resignations are effective upon receipt by the Secretary of the Board of a written notification.

SECTION 5.04. REMOVAL. An officer may be removed by the Board of Directors at a meeting, or by action in writing pursuant to Section 3.08, whenever in the Board's judgment the best interests of the Corporation will be served thereby. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 5.05. CHAIRPERSON. The Chairperson of the Board, if such an officer is elected and if present, shall preside at meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed by the Bylaws. The Chairperson, if there is no President, shall in addition be the Corporation's Chief Executive Officer and have the powers and duties prescribed in Article V, Section 5.05.

SECTION 5.05. PRESIDENT. The President shall be a director of the Corporation and subject to such supervisory powers, if any, as may be given by the Board to the Chairperson, the President, subject to the control of the Board, shall generally supervise, direct and control the business and officers of the Corporation. The President shall have the general powers and duties of management usually vested in the office of the president of a corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

SECTION 5.06. VICE-PRESIDENT. The Vice-President shall be a director of the Corporation and in the absence or disability of the President, the Vice President(s), if any, in order of their rank as fixed by the Board or, if not ranked, a Vice President designated by the Board, shall perform all the duties of the President, and when so acting shall have all the powers of an be subject to all the restrictions upon the President. The Vice President(s) shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board or the Chairperson.

SECTION 5.07. SECRETARY. The Secretary shall be a director of the Corporation and;

- (1) The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of holding of such meetings, whether regular or special and, if special, how authorized, the notice given, and the names of the Directors' meetings of committee meetings.
- (2) The Secretary shall keep or cause to be kept at the principal executive office or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the Board, a register, showing the names of all Directors, officers and other affiliated persons, and their addresses.
- (3) Notices, Seal, and other Duties. The Secretary shall give or cause to be given noticed of all meetings of the Board required by the Bylaws or by law to be given. The Secretary shall keep the seal of the Corporation, if one is adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws

SECTION 5.08. CHIEF FINANCIAL OFFICER/TREASURER. The Chief Financial Office/Treasurer shall be a director of the Corporation and;

- (1) The Chief Financial Officer/Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall be open to inspection by any Director at all reasonable times.
- (2) The Chief Financial Officer/Treasurer shall deposit al monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Chief Financial Officer/Treasurer shall disbursed the funds of the Corporation as may be ordered by the Board, render to the Chairperson and/or the President, and Directors, whenever they request it, in an account of all transactions as Chief Financial Officer/Treasurer and of the financial condition of the Corporation and have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

- (3) If required by the Board, the Chief Financial Officer/Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for the faithful performance of the duties of the office of Chief Financial Officers/Treasurers and the restoration to the Corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer/Treasurer on the death, resignation, retirement, or removal from the office of the Chief Financial Officer/Treasurer

SECTION 5.09. PAID STAFF. The Board of Directors may hire such paid staff as they deem proper and necessary for the operations of the Corporation. The powers and duties of the paid staff shall be as assigned or as delegated to be assigned by the Board.

ARTICLE VI INDEMNIFICATION

Every member of the Board of Directors, officer or employee of the Corporation may be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such members of the Board, officer or employee in connection with any threatened, pending, or completed action, suit or proceeding to which she/he may become involved by reason of her/his being or having been a member of the Board, officer, or employee of the corporation, or any settlement thereof, unless adjudged therein to be liable for negligence or misconduct in the performance of her/his duties. Provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition and not exclusive of all other rights which such member of the Board, officer or employee is entitled.

ARTICLE VII ADVISORY BOARDS AND COMMITTEES

SECTION 7.01. ESTABLISHMENT. The Board of Directors may establish one or more Advisory Boards or Committees.

SECTION 7.02. SIZE, DURATION, AND RESPONSIBILITIES. The size, duration, and responsibilities of such boards and committees shall be established by a majority vote of the Board of Directors.

ARTICLE VIII FINANCIAL ADMINISTRATION

SECTION 8.01. FISCAL YEAR. The fiscal year of the Corporation shall be January 1 - December 31 but may be changed by resolution of the Board of Directors.

SECTION 8.02. CHECKS, DRAFTS, ETC. All checks, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange, and insurance certificates shall be signed or endorsed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors or of any committee to which such authority has been delegated by the Board.

SECTION 8.03. DEPOSITS AND ACCOUNTS. All funds of the Corporation, not otherwise employed, shall be deposited from time to time in general or special accounts in such banks, trust companies, or other depositories as the Board of Directors or any committee to which such authority has been delegated by the Board may select, or as may be selected by the President or by any other officer or officers or agent or agents of the Corporation, to whom such power may from time to time be delegated by the Board. For the purpose of deposit and for the purpose of collection for that account of the Corporation, checks, drafts, and other orders of the Corporation may be endorsed, assigned, and delivered on behalf of the Corporation by any officer or agent of the Corporation.

SECTION 8.04. INVESTMENTS. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested on occasion in such property, real, personal, or otherwise, or stock, bonds, or other securities, as the Board of Directors in its sole discretion may deem desirable, without regard to the limitations, if any, now imposed or which may hereafter be imposed by law regarding such investments, and which are permitted to organizations exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VIX BOOKS AND RECORDS

Correct books of account of the activities and transactions of the Corporation shall be kept at the office of the Corporation. These shall include a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these Bylaws, and all minutes of meetings of the Board of Directors.

ARTICLE X AMENDMENT OF BYLAWS

These Bylaws may be amended by a majority vote of the Board of Directors, provided prior notice is given of the proposed amendment in the notice of the meeting at which such action is taken, or provided all members of the Board waive such notice, or by unanimous consent in writing without a meeting pursuant to Section 4.08.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 7 2008**

REPAIRING THE BREACH NEIGHBORHOOD
PROJECT INC
C/O DARRYL HEATH
2130 4TH ST
SACRAMENTO, CA 95818

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Registry of Charitable Trusts

Employer Identification Number:
26-2082119

DLN:

17053210336018

Contact Person:

SALLY B DAVENPORT

ID# 31050

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Public Charity Status:

170(b)(1)(A)(vi)

Form 990 Required:

Yes

Effective Date of Exemption:

July 14, 2008

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

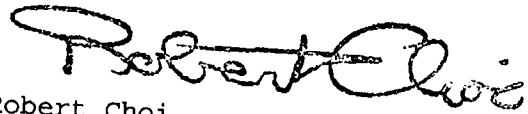
Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

REPAIRING THE BREACH NEIGHBORHOOD

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is stylized with a large, looping "R" and a cursive "Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC

Letter 947 (DO/CG)

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Repairing The Breach Neighborhood Project, Inc		Darryl Heath	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
2130 4th Street		26-2082119	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Sacramento, CA 95818		December	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 916-446-3583	
a Name: Darryl Heath		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
9a Organization's website: N/A			
b Organization's email: (optional) N/A			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 11 / 14 / 2008			
12 Were you formed under the laws of a foreign country ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the country.			

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Attorney General's Office
OCT 09 2018
Registry of Charitable Trusts

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT** file this form unless you can check "Yes" on lines 1, 2, 3, or 4.

[illegible]

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None			

- c** List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
None			

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. ☐ Yes ☒ No
- b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. ☐ Yes ☒ No
- c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. ☐ Yes ☒ No
- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. ☐ Yes ☒ No
- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? ☒ Yes ☐ No
- b** Do you or will you approve compensation arrangements in advance of paying compensation? ☒ Yes ☐ No
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? ☒ Yes ☐ No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? ☒ Yes ☐ No
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☒ Yes ☐ No
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? ☒ Yes ☐ No
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
-
- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. ☐ Yes ☒ No
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
-
- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☐ Yes ☒ No
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☐ Yes ☒ No
-
- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. ☐ Yes ☒ No
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. ☐ Yes ☒ No
-
- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. ☐ Yes ☒ No
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
-
- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. ☐ Yes ☒ No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. ☐ Yes ☒ No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. ☐ Yes ☒ No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. ☐ Yes ☒ No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. ☐ Yes ☒ No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. ☐ Yes ☒ No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. ☐ Yes ☒ No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. ☐ Yes ☒ No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. ☐ Yes ☒ No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. ☐ Yes ☒ No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. ☐ Yes ☒ No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. ☐ Yes ☒ No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

- 4a** Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) ☐ Yes ☐ No
- | | |
|---|--|
| <input type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input type="checkbox"/> email solicitations | <input type="checkbox"/> accept donations on your website |
| <input checked="" type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input checked="" type="checkbox"/> government grant solicitations |
| <input checked="" type="checkbox"/> foundation grant solicitations | <input checked="" type="checkbox"/> Other |

Attach a description of each fundraising program.

- b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. ☐ Yes ☒ No
- c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. ☐ Yes ☒ No
- d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.
- e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. ☐ Yes ☒ No

- 5** Are you **affiliated** with a governmental unit? If "Yes," explain. ☐ Yes ☒ No

- 6a** Do you or will you engage in **economic development**? If "Yes," describe your program. ☐ Yes ☒ No

- b** Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

- 7a** Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. ☐ Yes ☒ No

- b** Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. ☐ Yes ☒ No

- c** If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

- 8** Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. ☐ Yes ☒ No

- 9a** Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. ☐ Yes ☒ No

- b** Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). ☐ Yes ☐ No

- c** Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). ☐ Yes ☐ No

- d** Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). ☐ Yes ☐ No

- 10** Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. ☐ Yes ☒ No

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. ☒ **Yes** ☐ **No**
-
- 12a** Do you or will you operate in a **foreign country** or **countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. ☐ **Yes** ☒ **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. ☐ **Yes** ☒ **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. ☐ **Yes** ☐ **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. ☐ **Yes** ☐ **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. ☐ **Yes** ☐ **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. ☐ **Yes** ☒ **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. ☐ **Yes** ☐ **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. ☐ **Yes** ☐ **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. ☐ **Yes** ☐ **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. ☐ **Yes** ☐ **No**

Part VIII Your Specific Activities (Continued)

- | | | | |
|----|--|---|--|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		(a) From 1/1/08 To 12/2008	(b) From 1/1/09 To 12/2009	(c) From 1/1/10 To 12/2010	(d) From	To	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	3,000	10,000.00	10,000.00			
	2 Membership fees received	0	0	0			
	3 Gross investment income	0	0	0			
	4 Net unrelated business income	0	0	0			
	5 Taxes levied for your benefit	0	0	0			
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0	0			
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	0	0	0			
	8 Total of lines 1 through 7	3,000	10,000	10,000			
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	0	0	0			
	10 Total of lines 8 and 9	3,000	10,000	10,000			
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0			
	12 Unusual grants	0	0	0			
	13 Total Revenue Add lines 10 through 12	0	10,000	10,000			
Expenses	14 Fundraising expenses	0	0	0			
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	0	0	0			
	16 Disbursements to or for the benefit of members (attach an itemized list)	0	0	0			
	17 Compensation of officers, directors, and trustees	0	0				
	18 Other salaries and wages	0	3,000	3,000			
	19 Interest expense	0	0	0			
	20 Occupancy (rent, utilities, etc.)	0	1,000	1,000			
	21 Depreciation and depletion	0	0	0			
	22 Professional fees	1,000	1,000	1,000			
	23 Any expense not otherwise classified, such as program services (attach itemized list)	1,500	4,000	4,000			
	24 Total Expenses Add lines 14 through 23	3,500	9,000	9,000			

Part IX Financial Data (Continued)**B. Balance Sheet (for your most recently completed tax year)**

Year End:

(Whole dollars)

Assets			
1	Cash	1	0
2	Accounts receivable, net	2	0
3	Inventories	3	0
4	Bonds and notes receivable (attach an itemized list)	4	0
5	Corporate stocks (attach an itemized list)	5	0
6	Loans receivable (attach an itemized list)	6	0
7	Other investments (attach an itemized list)	7	0
8	Depreciable and depletable assets (attach an itemized list)	8	0
9	Land	9	0
10	Other assets (attach an itemized list)	10	0
11	Total Assets (add lines 1 through 10)	11	0
Liabilities			
12	Accounts payable	12	0
13	Contributions, gifts, grants, etc. payable	13	0
14	Mortgages and notes payable (attach an itemized list)	14	0
15	Other liabilities (attach an itemized list)	15	0
16	Total Liabilities (add lines 12 through 15)	16	0
Fund Balances or Net Assets			
17	Total fund balances or net assets	17	0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18	0
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. ☐ Yes ☒ No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2. ☐
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. ☐ Yes ☐ No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. ☐ Yes ☐ No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? ☐ Yes ☐ No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
- The organization is not a private foundation because it is:
- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. ☐
- b 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B. ☐
- c 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C. ☐
- d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D. ☐

Part X Public Charity Status (Continued)

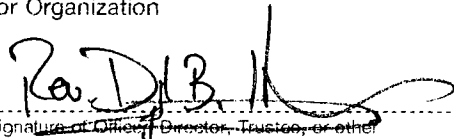
- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety. ☐
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit. ☐
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. ☐
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). ☐
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status. ☒

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling. ☒

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization


 (Signature of Officer, Director, Trustee, or other authorized official)

Darryl B Heath

(Type or print name of signer)

President

(Type or print title or authority of signer)

July 13, 2008

(Date)

For IRS Use Only

IRS Director, Exempt Organizations

(Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii). ☐

(i) (a) Enter 2% of line 8, column (e) on Part IX-A, Statement of Revenues and Expenses. _____

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box. ☐

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A, Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box. ☐

(b) For each year amounts are included on line 9 of Part IX-A, Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A, Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box. ☐

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A, Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. ☐ Yes ☐ No

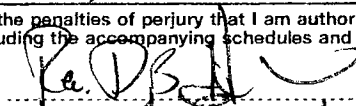
Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? ☒ Yes ☐ No
If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change). ☒
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change). ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please
Sign
Here


(Signature of Officer, Director, Trustee, or other
authorized official)

Darryl B Heath

(Type or print name of signer)

President

(Type or print title or authority of signer)

July 13, 2008

(Date)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form 1023 (Rev. 6-2006)

**Repairing The Breach Neighborhood
Project, Inc.**

**FORM 1023
ATTACHMENT**

FORM 1023 ATTACHMENT
Repairing The Breach Neighborhood Project, Inc.
EIN 26-2082119

Part II – Organizational Structure

4b. The organization is formed by donated funds to cover the cost for filing fees. It is not the contributors desire to be reimbursed for the fees associated with establishing this corporation.

5. The organization has not adopted bylaws however the board of directors has initiated “proposed bylaws” (see attachment) and anticipate the modification and subsequent adoption upon thorough review and approval of all members. This is a start-up organization and it is anticipated that the attached bylaws will be approved with minor modifications and adjustments.

Part IV – Narrative Description

Described below is a detailed narrative description of the organization’s planned activities. The activities will be conduct in the city and county of Sacramento California. This is a start-up organization and the proposed activities are the entities most reasonable expectation. The activities are expected to begin approximately October 2010.

Educational Program – This program is designed to provide a variety of educational services to youth and adults. Such services will include parenting workshops, life-skills training classes, spiritual leadership, tutorial services and financial literacy/ education. The ultimate goal of the program is to develop leadership, enhance self-esteem and equip the participants with the skills to succeed in life. The plan to implement this program includes recruiting volunteers and collaborations with other community-based organizations. Additionally, the organization will utilize volunteers from the community to support the activities.

Financial Literacy Program - The organizations primary activities will consist of financial literacy services to youth and adult. It is anticipated that the organization will provide training with budgeting, banking, investments, credit counseling and other financial solutions for underserved and low-income communities. The plan is to invite financial professionals to provide workshop training and classes at no cost to the participants. No specific curriculum has been identified at this time. However, it is anticipated that the organization will provide educational materials that are basic in concept and age appropriate for all clients.

Mentorship Program – The mentorship program will offer guidance to youth who lack the presence of a positive role model. The agency will screen and recruit volunteers that desire to impact the lives of youth. The mentors will offer guidance with homework, college and career choices and provide life-skills training. The organization plans to seek volunteer support to operate this program.

Leadership Training Workshops – The agency will provide leadership-training workshops to local faith-based organization. The trainings will consist of how to develop organizational infrastructure, program development, strategic planning, and staff development training. The agency will recruit volunteers to support this endeavor. It is anticipated that speaker honorariums will be provided to keynote speakers and workshop facilitators.

Part IV – Narrative Description, Continued

Basic Needs Program – This program is designed to assist adults in need of basic essentials such as food, clothing and shelter. The organization plans to work in collaboration with another agency to provide such services. The collaborating organization has not been identified. Services will include distribution of food and clothing to the disadvantaged and homeless, shelter for qualified adults, referrals to government assistance programs and counseling.

Student Training – This program will provide teens and adults with the essentials necessary to obtain employment. The participants will learn professional skills desired in the workforce, goal setting and how to develop a plan to achieve those goals. The activities will consist of career counseling, educational assistance with obtaining GED and employment training workshops. The program will also work collaboratively with other community programs that are similar in mission and nature.

Wellness – This program will provide health education training and workshops designed to assist with making healthy lifestyles choices. The activities will consist of tobacco education, drug and alcohol prevention, and HIV awareness. The program will also provide educational assistance and awareness for those who suffer from diabetes, strokes and heart attacks. Other activities will include recreational activities to such as physical instruction and exercise to help reduce stress. The organization will also provide personal coaching and one-on-one care in the aforementioned areas.

Part V

1a. Compensation/ Financial Arrangement of Officers

See Attachment titled "Board of Directors"

3a. Directors Name, Qualifications, Hours Worked and Duties

Darryl Heath

Duties and Responsibilities: It is anticipated that Darryl Heath will serve as the organizations Executive Director. Duties will include overseeing the daily operation of the proposed programs and activities. He will oversee all administrative/fiscal activities, manage public relations/ marketing activities and organize outreach efforts into the targeted communities for purposes of informing potential program participants and funding sources of the available services. He will work with local community leaders and collaborate with existing nonprofit organizations providing related services.

Qualifications: Mr. heath has over fifteen (15) years administrative experience, 10+ years experience in fiscal oversight and business management. Mr. Heath has extensive experience serving on local Board of Directors and advisory committees.

Note: This is a start-up organization therefore the aforementioned description (listed on line 3a) of directors and their role is the agency's most reasonable expectation. All other Directors will serve as "Board Members" only without compensation.

5a. The organization's Board of Directors will adopt as a part of its Bylaw Articles that specifies that an individual, director, officer or trustee that is employed by the organization, will not vote on matters regarding his or her own compensation. Attached are **proposed** bylaws only. This is a start-up organization and the organization has not formally adopted its bylaws but will use the attached as a basis. Additionally, the board will adopt a conflict of interest policy similar to the one attached to this application.

- 5b. See Attached Conflict of Interest
5c. See Attached Conflict of Interest

Part VIII

4a. Organization's Proposed Fundraising Program:

The organizations fundraising efforts will consist of the following planned activities:

1) Seek public funds from the City and County of Sacramento to assist with the educational programs; 2) developing a fundraising committee to identify corporations and other businesses that support the organization's specific administrative and programmatic cost; 3) seeking individuals experienced in grant writing to solicit grants from various foundations; and, 4) soliciting individual donations from the general public through an annual planned giving campaign or an annual fundraising events. 5) Host an Annual Benefit Event.

10. The organization will conduct workshop/ trainings to youth and adults consisting of parenting classes, faith-based leadership development classes and personal life-skills training. The organization may request a minimum donation to offset the cost of copies (material duplication) and supplies such as audiotapes and compact disk. The contributions will used to help offset program expenses. The presenters will own the rights to such materials however, it is anticipated that the presenter will donate a portion of all sales to the organization. There is no predetermined fee for materials since this project is in its developmental stages however it is the organizations most reasonable expectation that the cost will be at a fair market rate.

11. The organization anticipates the acquisition of a suitable vehicle to transport youth to and from the facility as needed for services. The organization will seek support of local businesses and or other organizations for in-kind support of (non-operational) vehicles that can be repaired for program use. The organization requests that the donation be considered as tax deductible for the donor if exemption is granted.

Part IX – The numbers listed in the budget is the organization's most reasonable expectation. No formal commitments to fund the project have been established however, the organization is anticipating the implementation of its financial literacy program and the budget is expected to be about \$3,000 initially. (Once it has been funded)

	Year	Year	Year
Line 23 (Expense Justification)	<u>2008</u>	<u>2009</u>	<u>2010</u>
Program Materials/ Supplies	500.00	2,000.00	2,000.00
Letterhead/ Duplication/ Marketing	500.00	500.00	500.00
Computers / office furniture	500.00	1,000.00	1,000.00
Speaker Honorariums	<u>0.00</u>	<u>500.00</u>	<u>500.00</u>
Total	\$ 1,500.00	4,000.00	4,000.00

Repairing The Breach Neighborhood Project, Inc.
EIN 26-2082119

Board of Directors

Part V

1a. Compensation/ Financial Arrangement of Officers

Directors

Compensation Amount

Darryl Heath
2130 4th Street
Sacramento, CA 95818
\$3,000 (Based upon adequate funding)

Mae McNeal
3182 San Nicolas Rd.
Sacramento, CA 95811
\$ 0

Wilton French
6 Nikki Court
Elk Grove, CA 95758
\$ 0

Marissa Arnett
2183 Borona Way
Sacramento, CA
\$ 0

Mary Heights
3404 Jola Circle
Sacramento, CA 95832
\$ 0

Repairing The Breach Neighborhood Project, Inc.

SCHEDULE - H ATTACHMENT

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures**Section I** *Names of individual recipients are not required to be listed in Schedule H.*

Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.

- 1a** Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
- b** Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
- c** If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
- d** Specify how your program is publicized.
- e** Provide copies of any solicitation or announcement materials.
- f** Provide a sample copy of the application used.
- 2** Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions. ☒ Yes ☐ No
- 3** Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
- 4a** Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
- b** Describe how you determine the number of grants that will be made annually.
- c** Describe how you determine the amount of each of your grants.
- d** Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
- 5** Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
- 6** Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
- 7** Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections? ☐ Yes ☒ No

Note. If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

Section II *Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.*

- 1a** If we determine that you are a private foundation, do you want this application to be considered as a request for advance approval of grant making procedures? ☐ Yes ☐ No ☐ N/A
- b** For which section(s) do you wish to be considered?
- 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution ☐
 - 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product ☐
- 2** Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring? ☐ Yes ☐ No
- 3** Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2? ☐ Yes ☐ No

Repairing The Breach Neighborhood Project, Inc.

FORM 1023

Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc.

ATTACHMENT

1. Repairing The Breach Neighborhood Project plans to award academic scholarships to graduating high school seniors who have a demonstrated commitment to higher education. The amounts of the scholarships have not been determined since the organization has not begun operations and are in the planning phase of its programs. However it is estimated that the organization will make awards in the amounts of \$500 - \$1,000. Terms and conditions have not been determined however all scholarships will be presented as gifts and no loans will be made available. Scholarships will be publicized through public service announcements (Television and radio), distribution of flyers to local high schools and other community organizations. The organization has not outlined any categories but anticipate that all awards will be used for the benefit of the recipient's school tuition, books and or room and board. The organization has no plans to provide any grants or desires to be considered as a private foundation or school as described in Sections 53.4945-49(c) and (d). There are no guidelines or conditions for governing this program since no staff has been hired to write or develop the outcomes. Again, the organization has not begun any operation and the Board of Directors is still writing and developing its programs.
2. Since this is a start-up organization no scholarships have been offered. However, the organization plans to maintain a case history of all recipients of awarded scholarships.
3. No specific criteria have been determined. However, there will not be limitations in the selection procedures based on race, religion or gender. In accordance with the organizations exempt purpose the organization plans to serve those in the city and county of Sacramento. It is the organizations hope that the applicants will be graduating seniors from local high schools that come from underserved neighborhoods and families. It is presumed that a minimum Grade Point Average of a "C" or better and a written essay regarding the candidate's educational goals will be a minimum requirement. The organization anticipates that 80% of the applicants will meet the maximum salary requirement per household. The maximum amount of the applicant's household will be in accordance with Housing in Urban Development (HUD) guidelines. Furthermore, an individual who is on the selection committee disqualifies themselves or family members from applying for scholarships.

4. The organization will consider approximately 20 – 30 eligible applicants, which will be based upon available funds from the fundraising events. The number of scholarships that the organization anticipates making annually is approximately 10 – 15. **Note:** This number will be based upon adequate or sufficient funding from the organizations fundraising event. The organization will not allow employees to participate on the selection committee. However, it is anticipated that employees or employee family members are eligible to apply. The reason that employees may be eligible is because the organization anticipates that it may receive youth employees through publicly funded “student training” programs. Again, no definite criteria have been determined. Again, this is a start-up organization and this is the organizations most reasonable expectation. The students must be applying to a four-year college with a GPA of 2.5 or greater.
5. The organization will require all applicants to submit report cards or transcripts to determine eligibility. Additionally, the awards will be paid to the recipients since the amount of the awards are not substantial in size. The purpose of the scholarship or award is to help support the expenses of the recipient’s education. This may include books, computer software or hardware and other basic essentials for college. Renewal or re-applying for scholarships is not an option since the awards are made annually to graduating seniors.
6. No selection committee has been established. However, it is anticipated that the selection committee will be comprised of credible members of the community, educators and the faith community. Additionally, it is anticipated that the members of the committee will be required to submit references, resumes and recommendations from the community.

Repairing The Breach Neighborhood Project, Inc.

(PROPOSED)

SAMPLE CONFLICT OF INTEREST POLICY

NOTE: The organization will plan to adopt incorporate sections of the attached “proposed” conflict of interest policy as apart of its bylaws.

Appendix A: Sample Conflict of Interest Policy

Note: Items marked *Hospital insert – for hospitals that complete Schedule C* are intended to be adopted by hospitals.

Article I Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

[Hospital Insert – for hospitals that complete Schedule C

If a person is an interested person with respect to any entity in the health care system of which the organization is a part, he or she is an interested person with respect to all entities in the health care system.]

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

[Hospital Insert – for hospitals that complete Schedule C

- d. Physicians who receive compensation from the Organization, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.]

Article VI **Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII **Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.